

Stockpile  
report  
to the  
Congress  
July-September 1976

March 1977



General Services Administration  
Federal Preparedness Agency



General Services Administration  
Federal Preparedness Agency  
Director, Leslie W. Bray, Jr.

UNITED STATES OF AMERICA  
GENERAL SERVICES ADMINISTRATION  
WASHINGTON, DC 20405



March 18, 1977

Honorable Walter F. Mondale  
President of the Senate


Honorable Thomas P. O'Neill, Jr.  
Speaker of the House of Representatives

Sirs:

In accordance with Section 4 of the Strategic and Critical Materials Stock Piling Act, we are submitting the Stockpile report to the Congress for July-September 1976.

A statistical supplement to this report was forwarded to the Speaker of the House of Representatives on January 13, 1977, and to the President of the Senate on January 24, 1977.

Sincerely,



LESLIE W. BRAY, JR.  
Director  
Federal Preparedness Agency

*Keep Freedom in Your Future With U.S. Savings Bonds*



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## HIGHLIGHTS

This report covers the principal activities in stockpile planning and management during July 1 through September 30, 1976, under the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 *et seq.*). Semi-annual reports will be resumed with the next report. This report covers the transition quarter between FY 1976 and FY 1977 created by a change in fiscal year periods from July 1 through June 30 to October 1 through September 30.

The President approved new national policies concerning the United States stockpile of strategic and critical materials during August 1976 upon advice from the National Security Council. Key elements of the new policy are that (1) planning will be based on the first three years of an emergency, (2) civilian needs will be provided for, and (3) defense and civilian requirements will be estimated separately.

Effective October 1, 1976, there will be additions and deletions in the list of strategic and critical materials, and "goals" will replace "objectives." Stockpile objectives in this report refer to the difference between estimated available supply and estimated requirements of materials during the first year of a war of indefinite duration. The new goals will

differ from objectives not only in that the goals will be based on planning for the first three years of a war of indefinite duration, but also in that they will be more flexible and will change when there are new developments in data, technology, and other domestic and international events that would rapidly make the static objectives obsolete. Goals, unlike objectives, will not carry the implication of planned commitments by the United States to buy or sell any specific quantities of materials in any specific time frame. Movement toward goals will be accomplished incrementally through the development of an Annual Materials Plan for acquisition and disposal, taking into account market and other economic conditions, international events, and budgetary considerations.

As of September 30, 1976, the estimated market value of strategic materials held in Government inventories amounted to \$7.5 billion of which \$1.5 billion was held against objectives, and \$6.0 billion was in excess.

Disposals for the July-September 1976 period totaled \$27.0 million. Approximately \$20.8 million were from National and Supplemental Stockpiles, \$5.4 million from the Defense Production Act inventory, and \$0.8 million from "other sales."





## PREFACE

The Federal Preparedness Agency of the General Services Administration recently chaired a one-year interagency study of stockpiling policies and procedures. The issues analyzed and the procedures proposed were presented to the National Security Council (NSC) in August 1976. Based upon advice of the NSC, the President issued new stockpile policy guidance that will substantially change the present stockpile.

The new policy calls for a materials stockpile capable of supporting United States defense requirements:

- during a major war;
- over a three-year period;
- assuming large-scale industrial mobilization (and the associated increased materials demands); and
- providing at the same time for a broad range of basic civilian economic needs to ensure the health and vitality of the wartime economy.

An important procedural change is the "variable-confidence level" approach. In this approach:

- Materials required during a war period are specifically identified in three groups (Defense, Essential Civilian, and General Civilian).
- The planning factors used to estimate the supply sources and

amounts available can be varied for the different requirement groups.

- Conservative factors can be used for the defense portion of the requirements with more moderate factors for the other requirements.
- Separate estimates for each year of an assumed war and a relative priority based upon the three groups can also be used.

In the planning process, provisions have been made to:

- maintain current data and planning factors;
- develop an annual plan for acquisition and disposal—the "Annual Materials Plan"—that will be responsive to changes in national security planning, market and other economic conditions, international events, and budgetary considerations; and
- review stockpile policy guidance every four years, or sooner if required.

The new policy is based on the recognition that the stockpile goals are not static, but rather that they may change with the conditions noted above.

The new policy became effective August 23, 1976, and the new goals were announced on October 1, 1976.



## INTRODUCTION

The United States stockpiles strategic and critical materials in sufficient quantities to protect the Nation against a dangerous and costly dependence upon foreign sources of supply in time of national emergency.

The authority for stockpiling is contained in the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 *et seq.*). The responsibility for the execution of this law was delegated to the Administrator, General Services Administration (GSA), by Executive Order 11725, dated June 27, 1973. The Administrator redelegated these functions to the Director, Federal Preparedness Agency (FPA).

This report covers the stockpiling functions of FPA for the period July 1 through September 30, 1976, which is referred to as the transition quarter between Fiscal Year 1976 and Fiscal Year 1977. The transition quarter came about as a result of Congressional action changing the fiscal year from July 1 through June 30 to October 1 through September 30. The next report will cover the first half of FY 77—October 1, 1976, through March 31, 1977. Subsequent reports will be published every six months thereafter.

This will be the final report that refers to the word "objectives" of materials. These objectives represent the estimated difference between supply and requirements to meet national security needs. Future reports will present information and data within the conceptual framework of flexible stockpile "goals" rather than "objectives." The reports will summarize the progress made towards

those goals as fulfilled by the Annual Materials Plan for the pertinent six-month report period.

In August the President approved new national policies concerning the strategic and critical materials stockpile upon advice from the National Security Council. Outlined below are the key elements of the new policy:

- Planning will be based on the first three years of an emergency of indefinite duration, compared to the first year under the previous guidelines.
- The civilian portion of the economy will be provided for after some reasonable allowances for "belt tightening."
- For each year used in planning, stockpile needs will be estimated separately for defense and civilian requirements. Previous policy combined civilian and military needs rather than considering them separately.

Under this guidance, new flexible stockpile goals have been prepared on the commodities determined to be strategic and critical. These new goals replace the fixed objectives of the past as of October 1, 1976. The list of commodities and their goals as of October 1 are shown on pages 17, 18, and 19.

The Federal Preparedness Agency continued to work with the National Materials

Advisory Board on a study of materials which may become strategic and critical in the future. The study involves an examination of the effects of technology on the consumption and supply of those materials which are not currently stockpiled, but which may be in short supply under future emergency conditions.

Government inventories contain specification and nonspecification grade materials. In some cases, the nonspecification grade material is credited to stockpile objectives. Much of the nonspecification grade materials in the National Stockpile was acquired by the transfer of Government-owned surpluses to the stockpile after World War II. Some materials were of specification grade when ac-

quired, but no longer qualify because of changes in industry practices and technological advances.

Disposal balances shown in Table II, "Summary of Government Inventories, Objectives, Excesses and Balance of Disposal Authorizations" represent statutory authorizations for sales of excess materials in the National and Supplemental Stockpiles or, in the case of Defense Production Act materials, represent sales previously approved by the Director, FPA. Inventory changes during the report period were due primarily to disposals or to reclassification and other adjustments in the inventories. There were no changes to the composition of the stockpile list during the report period.

## **SUMMARY OF GOVERNMENT INVENTORIES OF STRATEGIC AND CRITICAL MATERIALS**

As of September 30, 1976, the estimated market value of strategic and critical materials held in Government inventories amounted to \$7.5 billion, including \$1.5 billion held against objectives, and \$6.0 billion in excess of objectives.

Table I, "Summary of Government Inventories of Strategic and Critical Materials" summarizes the acquisition cost and total value of all materials in Government inventories, as of September 30, 1976. Table II, "Summary of Government Inventories, Objectives, Excesses and Balance of Disposal Authorizations" indicates the estimated market value of indi-

vidual materials held against stockpile objectives and of those materials which are in excess of objectives. The market values are unadjusted for normal premiums and discounts relating to various grades and conditions, or for inherent materials-handling costs incurred in moving the materials at the time of disposal. The procedure for estimating the value of the stockpile materials does not take into account the strength or weakness of market conditions. For these reasons, the estimated market value does not necessarily reflect the revenue that might be obtained if the materials were offered for sale.

TABLE I  
SUMMARY OF GOVERNMENT INVENTORIES OF  
STRATEGIC AND CRITICAL MATERIALS

September 30, 1976

	Acquisition Cost	Market Value <sup>1</sup>
A. I. Inventories Reserved for Objectives		\$1,523,268,400
II. Uncommitted Excess Inventories <sup>2</sup>		\$5,955,739,100
Total .....		\$7,479,007,500
B. I. Total Inventories in Storage <sup>3</sup>		
National Stockpile .....	\$2,490,814,200	\$5,824,059,000
Supplemental Stockpile .....	1,080,207,100	1,910,981,800
Defense Production Act .....	304,549,000	265,856,300
Total on Hand .....	\$3,875,570,300	\$8,000,897,100
II. Inventories Within Objective (in storage)		
Total .....	\$ 715,773,700	\$1,523,268,400
III. Excess Inventories in Storage		
Total .....	\$3,159,796,600	\$6,477,628,700

<sup>1</sup>Market values are computed from prices at which similar materials are being traded; or, in the absence of current trading, at an estimate of the price which would prevail in commercial markets. Market values are unadjusted for normal premiums and discounts relating to contained qualities, or for inherent materials-handling allowances. *Market values do not necessarily reflect the amount that would be realized at time of sale.*

<sup>2</sup>Uncommitted Excess Inventories exclude unshipped sales.

<sup>3</sup>Inventories in storage include quantities that have been sold but not shipped.

TABLE II  
SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,  
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
1. Aluminum .....	ST	0	5,426	\$ 5.2	5,426	\$ 5.2	5,426 <sup>5</sup>
2. Aluminum Oxide, Abrasive Grain ..	ST	17,200	50,905	15.8	33,705	10.4	0
3. Aluminum Oxide, Fused, Crude ...	ST	0	249,009	44.9	249,009	44.9	0
4. Antimony .....	ST	0	40,714	132.6	40,714	132.6	0
5. Asbestos, Amosite .....	ST	0	42,665	14.7	42,665	14.7	24,265
6. Asbestos, Chrysotile .....	ST	1,100	10,955	5.0	9,855	4.4	0
7. Bauxite, Metal Grade, Jamaica ...	LDT	4,638,000	8,858,881	213.9	4,220,881	101.9	1,370,077
8. Bauxite, Metal Grade, Surinam ...	LDT	0	5,300,000	153.2	5,300,000	153.2	0
9. Bauxite, Refractory .....	LCT	0	173,000	20.4	173,000	20.4	0
10. Beryl Ore .....	ST	0	17,986	8.1	17,986	8.1	0
11. Beryllium Copper Master Alloy ...	LB	0	14,773,731	45.4	14,773,731	45.4	0
12. Beryllium Metal .....	ST	88	229	34.3	141	21.1	0
13. Bismuth .....	LB	95,900	2,081,298	15.6	1,985,398	14.9	0
14. Cadmium .....	LB	4,446,500	6,328,955	19.0	1,882,455	5.6	328,955
15. Castor Oil							
a. Castor Oil .....	LB	0	0	0	0	0	0
b. Sebacic Acid .....	LB	0	5,009,697	6.0	5,009,697	6.0	0
16. Chromite, Chemical Grade .....	SDT	8,400	250,000	12.7	241,600	12.3	0
17. Chromite, Metallurgical .....	SDT	444,710	2,484,655	267.1	2,039,945	208.7	0
18. Chromium, Ferro, High Carbon ...	ST	11,476	402,694	300.1	391,218	291.5	0
19. Chromium, Ferro, Low Carbon ...	ST	0	318,893	374.1	318,893	374.1	0
20. Chromium, Ferro, Silicon .....	ST	0	58,356	42.0	58,356	42.0	0
21. Chromium, Metal .....	ST	0	3,763	18.4	3,763	18.4	0
22. Chromite, Refractory .....	SDT	54,000	399,960	25.3	345,960	21.9	0
23. Cobalt .....	LB	11,945,000	40,693,169	179.0	28,748,169	126.5	2,493,169
24. Columbium Concentrates .....	LB	0	1,751,553	5.2	1,751,553	5.2	0
25. Columbium Carbide Powder .....	LB	16,000	21,372	0.4	5,372	0.09	1,372
26. Columbium, Ferro .....	LB	748,000	930,911	4.4	182,911	0.9	0
27. Columbium, Metal .....	LB	36,000	44,851	1.1	8,851	0.2	0
28. Copper							
a. Copper Oxygen Free, High Conductivity .....	ST	0	0	0	0	0	0
b. Other .....	ST	0	0	0	0	0	0

TABLE II  
SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,  
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
29. Cordage Fibers, Abaca . . . . .	LB	0	0	\$ 0	0	\$ 0	0
30. Cordage Fibers, Sisal . . . . .	LB	0	0	0	0	0	0
31. Diamond Dies, Small . . . . .	PC	7,900	25,473	1.1	17,573	0.8	0
32. Diamond, Industrial, Crushing Bort . . . . .	KT	0	31,944,377	70.6	31,944,377	70.6	8,244,377
33. Diamond, Industrial, Stones . . . . .	KT	0	19,999,999	163.0	19,999,999	163.0	0
34. Feathers and Down . . . . .	LB	1,938,000	612,080	3.3	0	0	612,080 <sup>6</sup>
35. Fluorspar, Acid Grade . . . . .	SDT	0	889,991	93.4	889,991	93.4	0
36. Fluorspar, Metallurgical Grade . . . . .	SDT	159,000	411,788	35.8	252,788	22.0	0
37. Graphite, Natural, Ceylon . . . . .	ST	3,100	5,499	2.3	2,399	1.0	0
38. Graphite, Natural, Malagasy . . . . .	ST	8,200	17,939	9.3	9,739	5.1	0
39. Graphite, Natural, Other than C&M Crystalline . . . . .	ST	0	2,802	0.5	2,802	0.5	0
40. Iodine . . . . .	LB	0	8,011,698	20.7	8,011,698	20.7	0
41. Jewel Bearings . . . . .	PC	62,740,000	49,222,612	28.5	0	0	0
42. Lead . . . . .	ST	65,100	601,060	297.5	535,960	265.3	71,162 <sup>5</sup>
43. Manganese Battery Grade, Natural Ore . . . . .	SDT	10,700	264,583	28.7	253,883	27.3	129,583
44. Manganese, Battery Grade, Synthetic Dioxide . . . . .	SDT	0	3,008	1.4	3,008	1.4	1,108
45. Manganese Ore, Chemical Grade, Type A . . . . .	SDT	12,800	145,586	9.5	132,786	8.7	110,586
46. Manganese Ore, Chemical Grade, Type B . . . . .	SDT	12,800	75,410	5.1	62,610	4.2	40,410
47. Manganese Ore, Metallurgical . . . . .	SDT	750,500	3,706,813	232.5	2,956,313	178.4	1,101,213
48. Manganese Ferro, High Carbon . . . . .	ST	200,000	600,000	227.7	400,000	151.8	0
49. Manganese Ferro, Low Carbon . . . . .	ST	0	0	0	0	0	0
50. Manganese, Ferro, Medium Carbon . . . . .	ST	10,500	28,920	19.6	18,420	12.5	0
51. Manganese, Silicon . . . . .	ST	15,900	23,574	11.0	7,674	3.6	0
52. Manganese Metal, Electrolytic . . . . .	ST	4,750	14,166	16.4	9,416	10.9	0
53. Mercury . . . . .	FL	42,700	200,058	23.8	157,358	18.7	0



TABLE II  
SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,  
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
54. Mica, Muscovite Block, Stained and Better .....	LB	1,600,000	5,108,133	\$ 27.2	3,508,133	\$ 16.3	0
55. Mica, Muscovite Film, First and Second Qualities .....	LB	413,000	1,346,605	15.8	933,605	10.9	78,826
56. Mica, Muscovite Splittings .....	LB	2,200,000	23,084,075	27.7	20,884,075	25.1	4,024,200
57. Mica, Phlogopite Block .....	LB	51,000	127,773	0.04	76,773	0.02	76,773
58. Mica, Phlogopite Splittings .....	LB	200,000	3,183,323	3.8	2,983,323	3.6	2,233,323
59. Molybdenum							
a. Molybdenum Disulphide .....	LB	0	0	0	0	0	0
b. Molybdenum, Ferro .....	LB	0	0	0	0	0	0
c. Molybdic Oxide .....	LB	0	0	0	0	0	0
60. Nickel .....	ST	0	0	0	0	0	0
61. Opium							
a. Opium, Gum .....	LB	0	30,205	12.2	30,205	12.2	0
b. Opium, Salt .....	LB	0	39,509	16.0	39,509	16.0	0
62. Platinum Group Metals, Iridium . .	TrOz	1,800	17,002	5.2	15,202	4.6	12
63. Platinum Group Metals, Palladium .....	TrOz	328,500	1,254,994	72.2	926,494	53.3	0
64. Platinum Group Metals, Platinum .....	TrOz	187,500	452,645	79.2	265,145	46.4	0
65. Pyrethrum .....	LB	0	0	0	0	0	0
66. Quartz Crystals .....	LB	209,000	2,696,578	7.6	2,487,578	7.0	2,376,578
67. Quinidine .....	OZ	1,059,000	1,800,356	14.8	741,356	6.1	0
68. Quinine .....	OZ	779,500	3,246,166	20.1	2,466,666	15.3	0
69. Rubber .....	LT	0	120,190	106.7	120,190	106.7	0
70. Rutile .....	SDT	0	39,186	11.8	39,186	11.8	0
71. Sapphire and Ruby .....	KT	0	16,305,502	0.2	16,305,502	0.2	0
72. Shellac .....	LB	0	0	0	0	0	0
73. Silicon Carbide .....	ST	0	80,619	22.9	80,619	22.9	80,619
74. Silver .....	(Fine)TrOz	21,663,000	139,500,000	585.9	117,837,000	494.9	0
75. Talc, Steatite Block and Lump ....	ST	0	1,119	0.4	1,119	0.4	919
76. Tantalum Carbide Powder .....	LB	2,900	28,688	0.8	25,788	0.7	0
77. Tantalum Metal .....	LB	45,000	201,133	9.1	156,133	7.0	0

TABLE II  
SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,  
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
78. Tantalum Minerals .....	LB	312,000	2,545,410	\$ 40.6	2,233,410	\$ 35.6	0
79. Thorium .....	ST	0	3,637	9.1	3,637	9.1	3,550
80. Tin .....	LT	40,500	203,774	1,670.6	163,274	1,338.6	3,148
81. Titanium Sponge .....	ST	32,329	32,329	162.3	0	0	0
82. Tungsten Carbide Powder .....	LB	0	2,032,833	21.9	2,032,833	21.9	2,032,833
83. Tungsten, Ferro .....	LB	0	2,025,463	15.7	2,025,463	15.7	2,025,463
84. Tungsten, Metal Powder, Carbon Reduced .....	LB	0	716,910	7.2	716,910	7.2	716,910
85. Tungsten, Metal Powder, Hydrogen Reduced .....	LB	0	1,048,456	11.5	1,048,456	11.5	1,048,456
86. Tungsten Ores and Concentrates ..	LB	4,234,000	107,248,083	815.7	103,014,083	783.5	82,080,121
87. Vanadium							
a. Vanadium, Ferro .....	ST	0	0	0	0	0	0
b. Vanadium Pentoxide .....	ST	0	539	4.7	539	4.7	0
88. Vegetable Tannin Extract, Chestnut .....	LT	4,400	21,465	11.5	17,065	9.1	11,965
89. Vegetable Tannin Extract, Quebracho .....	LT	0	164,595	85.7	164,595	85.7	113,995
90. Vegetable Tannin Extract, Wattle .....	LT	0	18,021	9.2	18,021	9.2	8,521
91. Zinc .....	ST	374,830	374,830	296.1	0	0	0

#### FOOTNOTES

<sup>1</sup> These objectives do not reflect the results of the stockpile study announced October 1, 1976.

<sup>2</sup> Total inventory consists of stockpile and nonstockpile grades and does not include materials already committed for sale.

<sup>3</sup> Market values are estimated from prices at which similar materials are being traded; or, in the absence of trading data, at an estimate of the price which would prevail in the market. Prices used are unadjusted for normal premiums and discounts relating to contained qualities or normal freight allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

#### FOOTNOTES (Continued)

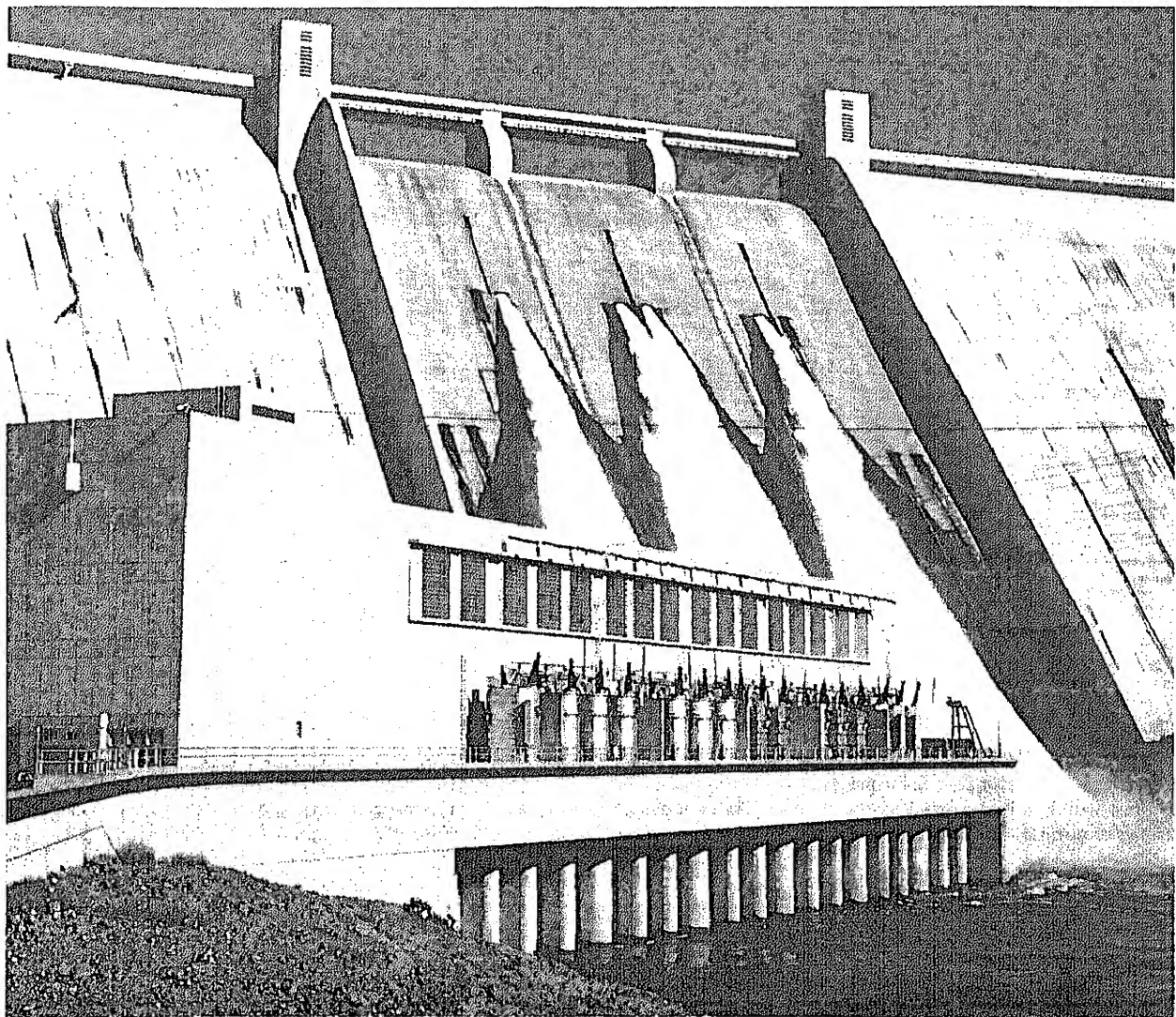
<sup>4</sup>Includes materials for which Congressional disposal legislation was pending as of September 30, 1976.

<sup>5</sup>Committed for sale but undelivered under long-term contracts.

<sup>6</sup>Balance available due to rotation in order to prevent deterioration.

#### ABBREVIATIONS

FL	-	Flask	OZ	-	Ounce
KT	-	Carat	PC	-	Piece
LB	-	Pound	SDT	-	Short Dry Ton
LCT	-	Long Calcined Ton	ST	-	Short Ton
LDT	-	Long Dry Ton	TrOz	-	Troy Ounce
LT	-	Long Ton			



The national stockpile represents a store of energy required to produce strategic and critical materials.

## OTHER MATERIALS IN GOVERNMENT INVENTORIES

Inventories of materials that have been removed from the stockpile list, and of other materials for which there are no stockpile

objectives, are shown in Table III. These inventories are not included in the previous tabulation.

**TABLE III**

### SUMMARY OF GOVERNMENT INVENTORIES AND BALANCE OF DISPOSAL AUTHORIZATIONS COVERING MATERIALS FOR WHICH THERE ARE NO STOCKPILE OBJECTIVES

September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Total Inventory <sup>1</sup>	Market Value <sup>2</sup>	Balance of Disposal Authorization
Asbestos, Crocidolite .....	ST	2,384	\$ 0.2	2,384
Celestite .....	SDT	14,408	0.4	14,408
Diamond Tools .....	PC	60,183	0.7	60,183
Kyanite-Mullite .....	SDT	2,816	0.2	2,816
Magnesium .....	ST	1,121	2.1	1,121
Rare Earths .....	SDT	7,174	8.3	7,174
Sperm Oil .....	LB	18,243	0.006	18,243
Talc, Steatite Ground .....	ST	2,916	0.02	2,916

<sup>1</sup> Inventory reflects uncommitted balance.

<sup>2</sup> Market values are estimated from prices at which similar materials are being traded; or, in the absence of trading data, at an estimate of the price which would prevail in the market. Prices used are unadjusted for normal premiums and discounts relating to contained qualities or normal freight allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

## STOCKPILE ACTIVITIES

### Procurement

The Strategic Stockpile Procurement Directive for FY 1976, issued August 28, 1975, provided for the cash procurement of two million pieces of jewel bearings from the Government-owned William Langer Jewel Bearing Plant at Rolla, North Dakota. The plant, operated by the Bulova Watch Company, Inc., continued to produce jewel bearings for the National Stockpile and for defense contractors under the existing contract with GSA. Jewel Bearings and related items ordered from the plant for the defense program during the period July through September 1976, totaled 486,799.

Orders for "related items" totaled 27,900 during the same period. These included items made from synthetic sapphire such as domed pins, plates, knife edges, vee grooves, spacers, insulators, windows, and balls.

The plant continued to operate on a profitable basis during the report period. Net income for the three-month period ending September 30, 1976, amounted to \$20,327.

### Disposal Program

During July–September 1976, GSA disposal sales of excess strategic and critical materials from all Government inventories totaled \$27.0 million. Of the total disposals of \$27.0 million, approximately \$20.8 million were from the National and Supplemental

Stockpiles, \$5.4 million from the Defense Production Act inventory, and \$0.8 million from "other sales."

Major sales were of cobalt, \$2.9 million; tin, \$2.9 million; and tungsten ores and concentrates, \$9.6 million. The commodities and quantities making up the total sales for this period are listed in Table IV.

Cumulative fiscal year sales since the inception of the disposal program total approximately \$7.2 billion. (Figures 1 and 2, page 13.)

### Storage and Maintenance

On September 30, 1976, GSA stored approximately 33 million tons of strategic materials at 121 locations as follows:

Military Depots	34
GSA Depots	28
Other Government-owned Sites	14
Leased Commercial Sites	12
Industrial Plantsites	33
Total	<hr/> 121

Following heavy disposals of stockpile materials during the past few years, continued progress was made in storage consolidation in order to return unneeded warehouse space to the Public Buildings Service. During July–September 1976, 240,000 square feet at GSA depots were vacated and returned to PBS.

Million Dollars

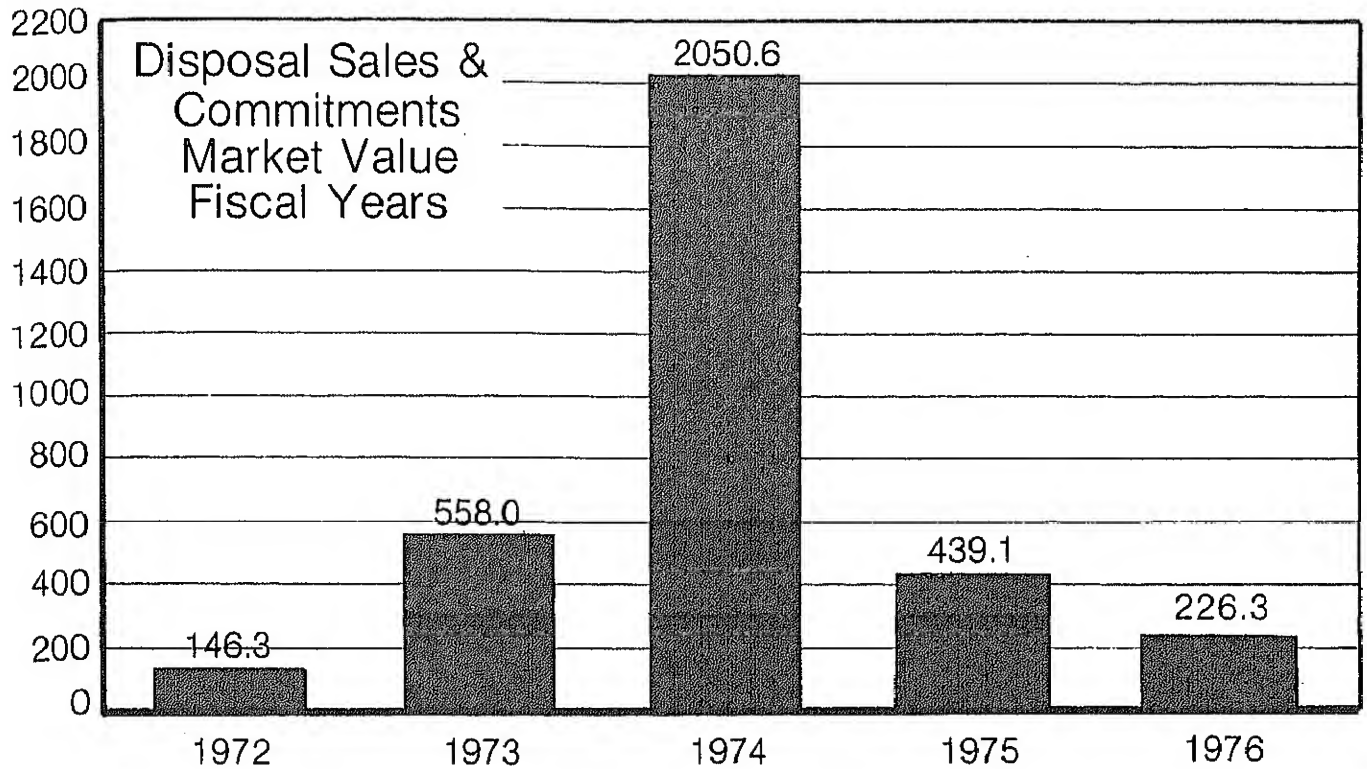
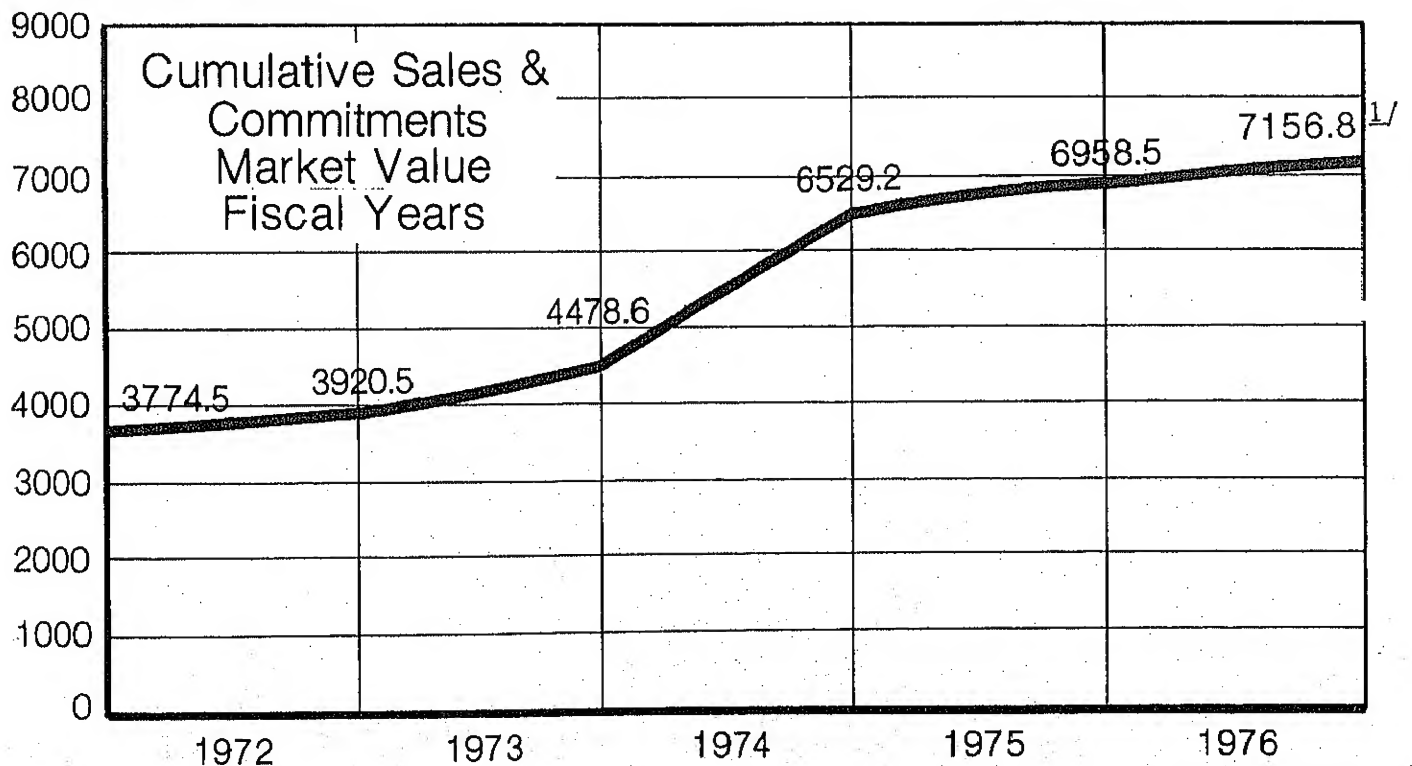


Figure 1

Including 3-month Budget Transition Quarter

Million Dollars



1/ Reflects adjustment for the cancellation or curtailment of selected disposal programs.

Figure 2

Including 3-month Budget Transition Quarter

TABLE IV  
DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS

July-September 1976

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sale Value
NATIONAL AND SUPPLEMENTAL STOCKPILE INVENTORIES:					
Aluminum . . . . .	ST	278	\$	\$ 216,840	\$ 216,840
Asbestos, Amosite . . . . .	ST	150		51,750	51,750
Asbestos, Crocidolite . . . . .	ST	-99 <sup>1</sup>		-15,020 <sup>1</sup>	-15,020 <sup>1</sup>
Cobalt . . . . .	LB	553,841		2,866,295	2,866,295
Copper Oxygen Free, High Conductivity . . .	ST	500	700,000		700,000
Copper, Other . . . . .	ST	1,205	1,687,000		1,687,000
Diamond, Industrial, Bort . . . . .	KT	485,500		1,058,357	1,058,357
Diamond, Industrial, Stones . . . . .	KT		5,283,154 <sup>1</sup>		5,283,154 <sup>1</sup>
Mica, Muscovite Film . . . . .	LB	2,824		10,569	10,569
Mica, Muscovite Splittings . . . . .	LB	625,000		584,340	584,340
Mica, Phlogopite Splittings . . . . .	LB	88,481		55,002	55,002
Molybdenum Disulphide . . . . .	LB	130,151		888,514	888,514
Molybdenum Oxide . . . . .	LB			5,600 <sup>1</sup>	5,600 <sup>1</sup>
Quartz Crystals . . . . .	LB	56,907		305,711	305,711
Rare Earths . . . . .	SDT	28		8,611	8,611
Talc, Steatite Block and Lump . . . . .	ST	30		9,200	9,200
Thorium Nitrate . . . . .	LB	6,300		14,175	14,175
Tin . . . . .	LT	350		2,853,480	2,853,480
Tungsten Ores and Concentrates . . . . .	LB	614,451		4,224,677	4,224,677
Vegetable Tannin:					
Quebracho . . . . .	LT	63	29,666		29,666
Total NATIONAL AND SUPPLEMENTAL STOCKPILES . . . . .			\$7,699,820	\$ 13,138,101	\$ 20,837,921
DEFENSE PRODUCTION ACT INVENTORY:					
Manganese, Metallurgical . . . . .	SDT	2,800	\$	\$ 97,346	\$ 97,346
Mica, Muscovite Film . . . . .	LB	991		4,645	4,645
Tungsten Ores and Concentrates . . . . .	LB	756,518		5,333,145	5,333,145
Total DPA . . . . .			\$	\$ 5,435,136	\$ 5,435,136

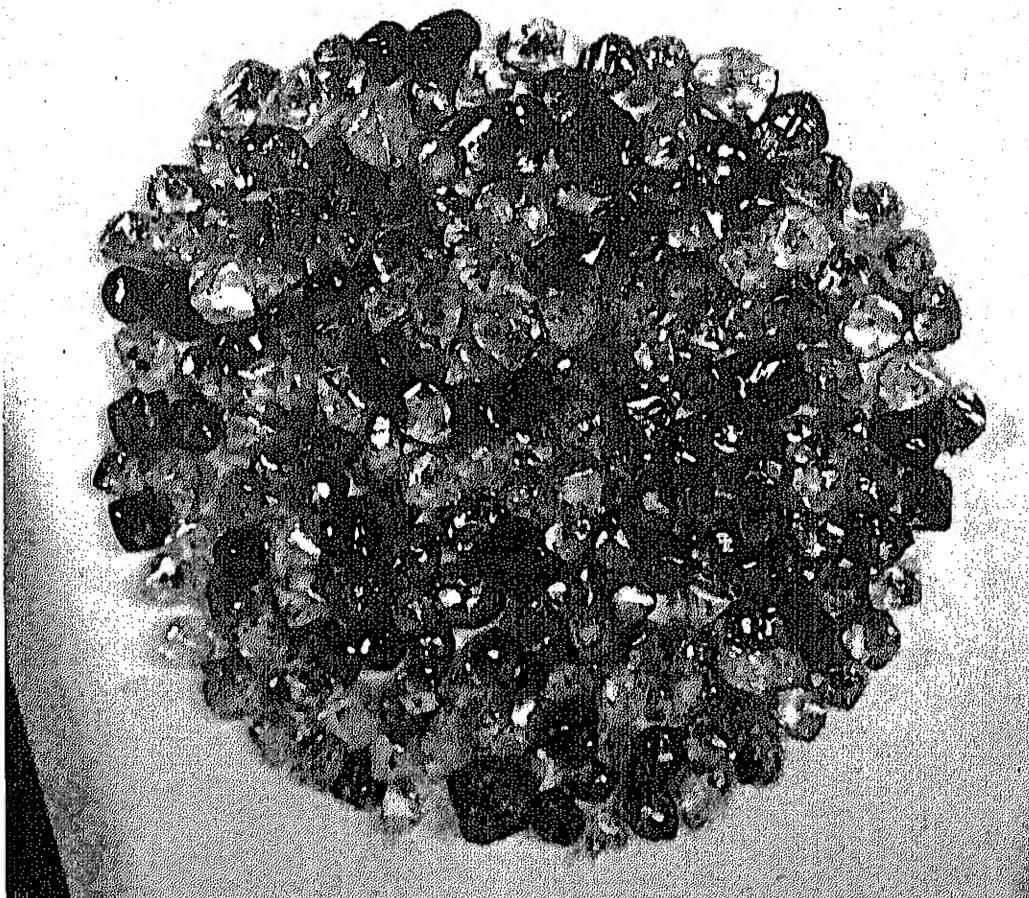


TABLE IV  
DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS (Continued)

July-September 1976

Material	Unit	Quantity	Sales Commitments		Total Sale Value
			Government Use	Industrial Use	
OTHER:					
Lithium .....	LB	943,444	\$	\$ 766,124	\$ 766,124
Total OTHER .....			\$	\$ 766,124	\$ 766,124
GRAND TOTAL .....			<u>\$7,699,820</u>	<u>\$ 19,339,361</u>	<u>\$ 27,039,181</u>

<sup>1</sup> Represents adjustments to prior year contracts.



Industrial diamonds are the hardest naturally - occurring substance.



### Stockpile Disposal Legislation

Public Law 94-359 was enacted July 12, 1976. This law permits GSA to honor the contracts for disposal of excess stockpile sperm oil, pursuant to the notice published in the Federal Register January 9, 1973, which covered 23,400,000 pounds of sperm oil.

On August 5, 1976, Congressman Charles E. Bennett introduced H.R. 15081, a bill to authorize the disposal of various materials from the national stockpile and the supplemental stockpile, and for other purposes which provided for a fund into which sales receipts would be covered and from which revenues for acquisitions would be appropriated. This bill combined the four Administration bills on antimony, industrial diamond stones, silver, and tin introduced in April 1976.

On August 25 the Subcommittee on National Stockpile and Naval Petroleum Reserves of the Senate Armed Services Committee held hearings on antimony, S. 3346; industrial diamond stones, S. 3347; silver,

S. 3344; and tin, S. 3345. On August 26, 1976, the Subcommittee on Seapower and Strategic and Critical Materials of the House Armed Services Committee held hearings on H.R. 15081. The Director, FPA, appeared before the Subcommittees to testify in support of these bills.

The Senate Subcommittee favored disposal of quantities of the four materials from the national stockpile, but would only authorize the disposal of 2.5 million carats of industrial diamond stones rather than the 8.5 million carats requested by the Administration which was favorably reported by the House Armed Services Committee. The Senate measure contained no provision similar to H.R. 15081 to establish a revolving fund.

On September 13, 1976, the House Committee on Armed Services reported favorably without amendment H.R. 15081. The House failed to pass H.R. 15081 under suspension of the rules September 20, 1976.

These bills were not enacted when the 94th Congress adjourned October 1, 1976.

TABLE V  
EXPENDITURES OF STOCKPILE FUNDS, BY TYPE  
(for the National Stockpile)

Cumulative and for Transition Quarter (7/1 through 9/30/76)			
Type of Expenditures	Cumulative Through June 30, 1976	Transition Quarter Ended September 30, 1976	Cumulative Through September 30, 1976
<b>Expenditures</b>			
Grand Total	\$6,611,728,772	\$2,178,300	\$6,613,907,072
Less: Receipts from Rotation Sales and Reimbursements	547,063,108	- <sup>1</sup>	547,063,108
Net Total	6,064,665,664	2,178,300	6,066,843,964
Materials Acquisition Costs, Total	5,442,876,581	-3,823	5,442,872,758
Stockpile Maintenance Costs, Total	492,734,741	535,590	493,270,331
Facility Construction	43,772,457	-	43,772,457
Storage and Handling Costs	346,124,038	535,590	346,659,628
Net Rotation Costs	102,838,246	-	102,838,246
Administrative Costs	112,497,193	1,646,533	114,143,726
Operations, Machine Tool Program	16,557,149	-	16,557,149

Cumulative figures are the total expenditures under PL 117, 76th Congress and PL 520, 79th Congress. Expenditures under PL 117 totaled \$70,000,000 of which \$55,625,237 was for materials acquisition costs and \$14,374,763 was for other costs. Final expenditures under PL 117 were made in FY 1951.

<sup>1</sup> Does not include receipts from Rotation Sales during the 1976 transition quarter of \$781,706 which are held for replacement of material sold under the Rotation Program.

TABLE VI  
TOTAL OBLIGATIONS AND EXPENDITURES OF STOCKPILING FUNDS

Under PL 117 and PL 520 for the National Stockpile  
Cumulative and by Fiscal Period through September 30, 1976

Fiscal Period	OBLIGATIONS INCURRED <sup>1</sup>		EXPENDITURES <sup>2</sup>	
	Net Change by Fiscal Period	Cumulative As of End of Period	By Fiscal Period	Cumulative As of End of Period
Prior to Fiscal Year 1948	\$ 123,871,685	\$ 123,871,685	\$ 66,330,731	\$ 66,330,731
Fiscal Year 1948	252,901,411	376,773,096	82,907,575	149,238,306
Fiscal Year 1949	459,766,881	836,539,977	304,486,177	453,724,483
Fiscal Year 1950	680,427,821	1,516,967,798	440,834,970	894,559,453
Fiscal Year 1951	2,075,317,099	3,592,284,897	655,537,199	1,550,096,652
Fiscal Year 1952	948,117,547	4,540,402,444	844,683,459	2,394,780,111
Fiscal Year 1953	252,375,163	4,792,777,607	906,158,850	3,300,938,961
Fiscal Year 1954	116,586,681	4,909,364,288	644,760,321	3,945,699,282
Fiscal Year 1955	321,799,833	5,231,164,121	801,310,094	4,747,009,376
Fiscal Year 1956 <sup>3</sup>	251,692,667	5,482,856,788	382,011,786 <sup>3</sup>	5,129,021,162 <sup>3</sup>
Fiscal Year 1957	190,000,109	5,672,856,897	354,576,558	5,483,597,720
Fiscal Year 1958	54,473,250	5,727,330,147	173,753,997	5,657,351,717
Fiscal Year 1959	38,710,879	5,766,041,026	65,260,098	5,722,611,815
Fiscal Year 1960	19,859,290	5,785,900,316	49,227,142	5,771,838,957
Fiscal Year 1961	29,082,919	5,814,983,235	33,325,431	5,805,164,388
Fiscal Year 1962	31,179,407	5,846,162,642	33,695,431	5,838,859,819
Fiscal Year 1963	17,414,900	5,863,577,542	22,104,176	5,860,963,995
Fiscal Year 1964	15,489,597	5,879,067,139	16,091,067	5,877,055,062
Fiscal Year 1965	16,288,732	5,895,355,871	16,561,275	5,893,616,337
Fiscal Year 1966	16,296,070	5,911,651,941	16,468,100	5,910,084,437
Fiscal Year 1967	18,197,410	5,929,849,351	17,981,675	5,928,066,112
Fiscal Year 1968	16,008,237	5,945,857,588	15,902,213	5,943,968,325
Fiscal Year 1969	15,451,611	5,961,309,199	15,914,729	5,959,883,054
Fiscal Year 1970	14,795,005	5,976,104,204	13,799,261	5,973,682,315
Fiscal Year 1971	17,529,398	5,993,633,602	15,797,095	5,989,479,410
Fiscal Year 1972	19,377,781	6,013,011,383	17,077,779	6,006,557,189
Fiscal Year 1973	15,704,293	6,028,715,676	15,710,849	6,022,268,038
Fiscal Year 1974	20,585,490	6,049,301,166	19,359,315	6,041,627,353
Fiscal Year 1975	13,259,270	6,062,560,436	13,923,141	6,055,550,494
Fiscal Year 1976	8,998,088	6,071,558,524	9,115,170	6,064,665,664
Transition Quarter	2,629,246	6,074,187,770	2,178,300	6,066,843,964

<sup>1</sup> Figures are the sum of obligations incurred under PL 520, 79th Congress and PL 117, 76th Congress. Final obligations under PL 117, 76th Congress were incurred in Fiscal Year 1949.

<sup>2</sup> Figures are the sum of expenditures under PL 520, 79th Congress and PL 117, 76th Congress. Final expenditures under PL 117, 76th Congress were made in Fiscal Year 1951.

<sup>3</sup> 1956 and subsequent fiscal periods and cumulative expenditures are reported on an accrual basis.

**STOCKPILE GOALS  
OCTOBER 1, 1976**

Alumina . . . . .	ST	11,532,000
Aluminum . . . . .	ST	0
Aluminum Oxide, Abrasive Grain . . . . .	ST	75,000
Aluminum Oxide, Fused, Crude . . . . .	ST	147,615
Antimony . . . . .	ST	20,130
Asbestos, Amosite . . . . .	ST	26,291
Asbestos, Chrysotile . . . . .	ST	0
Bauxite, Metal Grade, Jamaica . . . . .	LDT	523,000
Bauxite, Metal Grade, Surinam . . . . .	LDT	0
Bauxite, Refractory . . . . .	LCT	2,083,000
Beryl Ore (11% BeO) . . . . .	ST	0
Beryllium Copper Master Alloy . . . . .	ST	16,710
Beryllium Metal . . . . .	ST	895
Bismuth . . . . .	LB	771,000
Cadmium . . . . .	LB	24,701,000
Castor Oil, Sebacic Acid . . . . .	LB	0
Chromite, Chemical Grade Ore (Gross Weight) . . . . .	SDT	734,000
Chromite, Metallurgical Grade Ore (Gross Weight) . . . . .	SDT	2,550,000
Chromite, Refractory Grade Ore (Gross Weight) . . . . .	SDT	642,000
Chromium, Ferro, High Carbon . . . . .	ST	236,000
Chromium, Ferro, Low Carbon . . . . .	ST	124,000
Chromium, Ferro, Silicon . . . . .	ST	69,000
Chromium, Metal . . . . .	ST	10,000
Cobalt . . . . .	LB Co	85,415,000
Columbium Carbide Powder . . . . .	LB Cb	0
Columbium Concentrates . . . . .	LB Cb	3,131,000
Columbium, Ferro . . . . .	LB Cb	0
Columbium, Metal . . . . .	LB Cb	0
Copper . . . . .	ST	1,299,000
Cordage Fibers, Abaca . . . . .	LB	24,000,000
Cordage Fibers, Sisal . . . . .	LB	114,000,000
Diamond Dies, Small . . . . .	PC	0
Diamond, Industrial, Crushing Bort . . . . .	KT	14,974,000
Diamond, Industrial, Stones . . . . .	KT	5,559,000
Feathers and Down . . . . .	LB	6,494,000
Fluorspar, Acid Grade . . . . .	SDT	1,594,000
Fluorspar, Metallurgical Grade . . . . .	SDT	1,914,000
Graphite, Natural-Ceylon, Amorphous Lump . . . . .	ST	6,271

Graphite, Natural-Malagasy, Crystalline . . . . .	ST	20,472
Graphite, Natural-Other than C&M . . . . .	ST	34,748
Iodine . . . . .	LB	3,333,000
Jewel Bearings . . . . .	PC	224,623,000
Lead . . . . .	ST	865,000
Manganese, Battery Grade, Natural Ore . . . . .	SDT	12,736
Manganese, Battery Grade, Synthetic Dioxide . . . . .	SDT	19,105
Manganese Ore, Chemical Grade . . . . .	SDT	247,136
Manganese Ore, Metallurgical Grade . . . . .	SDT	2,052,000
Manganese, Ferro, High Carbon . . . . .	ST	439,000
Manganese, Ferro, Low Carbon . . . . .	ST	0
Manganese, Ferro, Medium Carbon . . . . .	ST	99,000
Manganese, Ferro, Silicon . . . . .	ST	81,000
Manganese Metal, Electrolytic . . . . .	ST	15,000
Mercury . . . . .	FL	54,004
Mica, Muscovite Block, Stained and Better . . . . .	LB	6,188,000
Mica, Muscovite Film, First and Second Qualities . . . . .	LB	90,000
Mica, Muscovite Splittings . . . . .	LB	12,631,000
Mica, Phlogopite Block . . . . .	LB	206,064
Mica, Phlogopite Splittings . . . . .	LB	932,000
Molybdenum Disulphide . . . . .	LB Mo	0
Molybdenum, Ferro . . . . .	LB Mo	0
Nickel . . . . .	ST Ni+Co.	204,335
Opium, Gum . . . . .	LB	0
Opium, Salt . . . . .	LB	75,000
Platinum Group Metals, Iridium . . . . .	TrOz	97,761
Platinum Group Metals, Palladium . . . . .	TrOz	2,450,000
Platinum Group Metals, Platinum . . . . .	TrOz	1,314,000
Pyrethrum . . . . .	LB	377,851
Quartz Crystals . . . . .	LB	0
Quinidine . . . . .	AvOz	6,841,000
Quinine . . . . .	AvOz	3,045,000
Rubber . . . . .	LT	513,134
Rutile . . . . .	SDT	173,928
Sapphire and Ruby . . . . .	KT	0
Shellac . . . . .	LB	8,529,000
Silicon Carbide, Crude . . . . .	ST	306,628
Silver (Fine) . . . . .	TrOz	0
Talc, Steatite Block and Lump . . . . .	ST	104
Tantalum Carbide Powder . . . . .	LB Ta	889,000
Tantalum Metal . . . . .	LB Ta	1,650,000

Tantalum Minerals .....	LB Ta	5,452,000
Thorium Nitrate (ThO <sub>2</sub> ) .....	ST	418
Tin .....	LT	32,499
Titanium Sponge .....	ST	131,503
Tungsten Carbide Powder .....	LB W	12,845,000
Tungsten, Ferro .....	LB W	17,769,000
Tungsten, Metal Powder .....	LB W	3,290,000
Tungsten, Ores and Concentrates .....	LB W	8,823,000
Vanadium, Ferro .....	ST V	10,095
Vanadium Pentoxide .....	ST V	2,576
Vegetable Tannin Extract, Chestnut .....	LT	6,942
Vegetable Tannin Extract, Quebracho .....	LT	37,998
Vegetable Tannin Extract, Wattle .....	LT	20,208
Zinc .....	ST	1,313,000

#### ABBREVIATIONS

AvOz	Avoirdupois Ounce	LDT	Long Dry Ton
FL	Flask (76-pound)	LT	Long Ton
KT	Carat	OZ	Ounce
LB	Pound	PC	Piece
LB Cb	Pounds of Contained Columbium	SDT	Short Dry Ton
LB Co	Pounds of Contained Cobalt	ST	Short Ton
LB Mo	Pounds of Contained Molybdenum	ST Ni+Co.	Short Tons of Contained Nickel plus Cobalt
LB Ta	Pounds of Contained Tantalum	ST V.	Short Tons of Contained Vanadium
LB W	Pounds of Contained Tungsten	TrOz	Troy Ounces
LCT	Long Calcined Ton		